



INVESTMENT PERFORMANCE
AND
MANAGER REVIEW
PRESENTATION

BOARD OF INVESTMENT COMMISSIONERS
FOR THE
EMPLOYEES' RETIREMENT SYSTEM

CITY OF PROVIDENCE
RHODE ISLAND

SEPTEMBER 2012

<p><u>Board of Investment Commissioners</u> Employees' Retirement System Providence, RI</p>

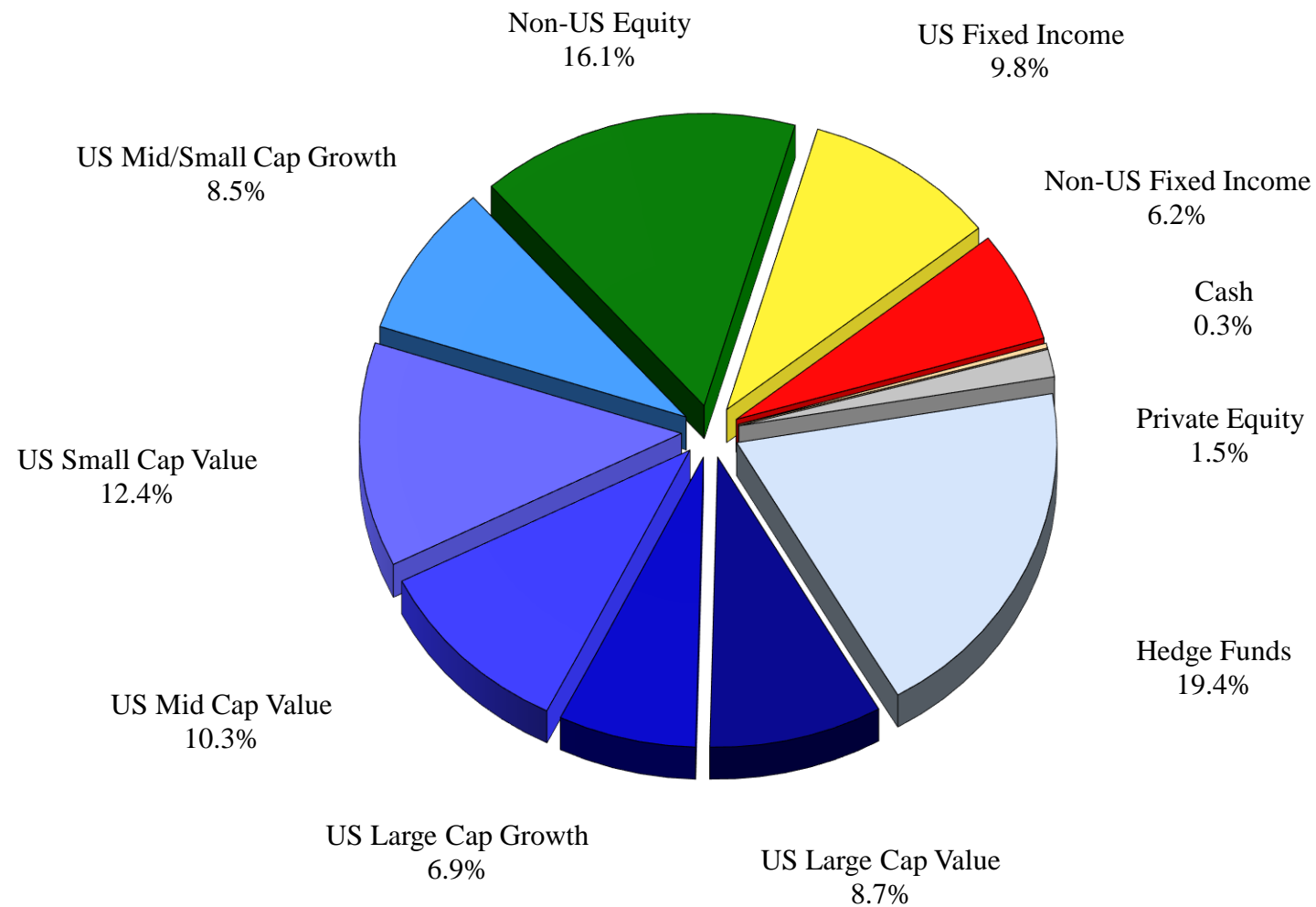
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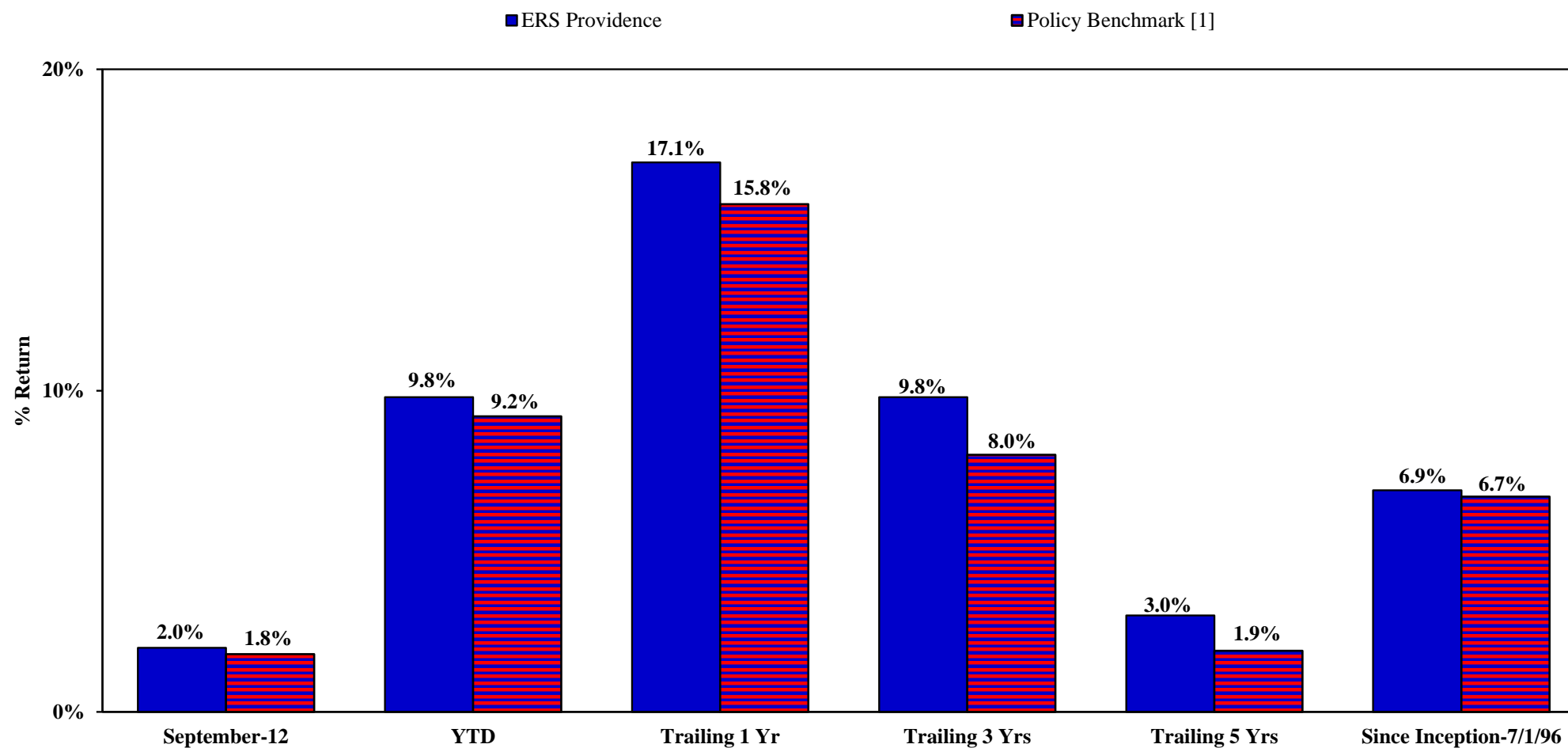
**Investment Performance and
Investment Manager Review**

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Investment Policy/Asset Allocation at September 30, 2012





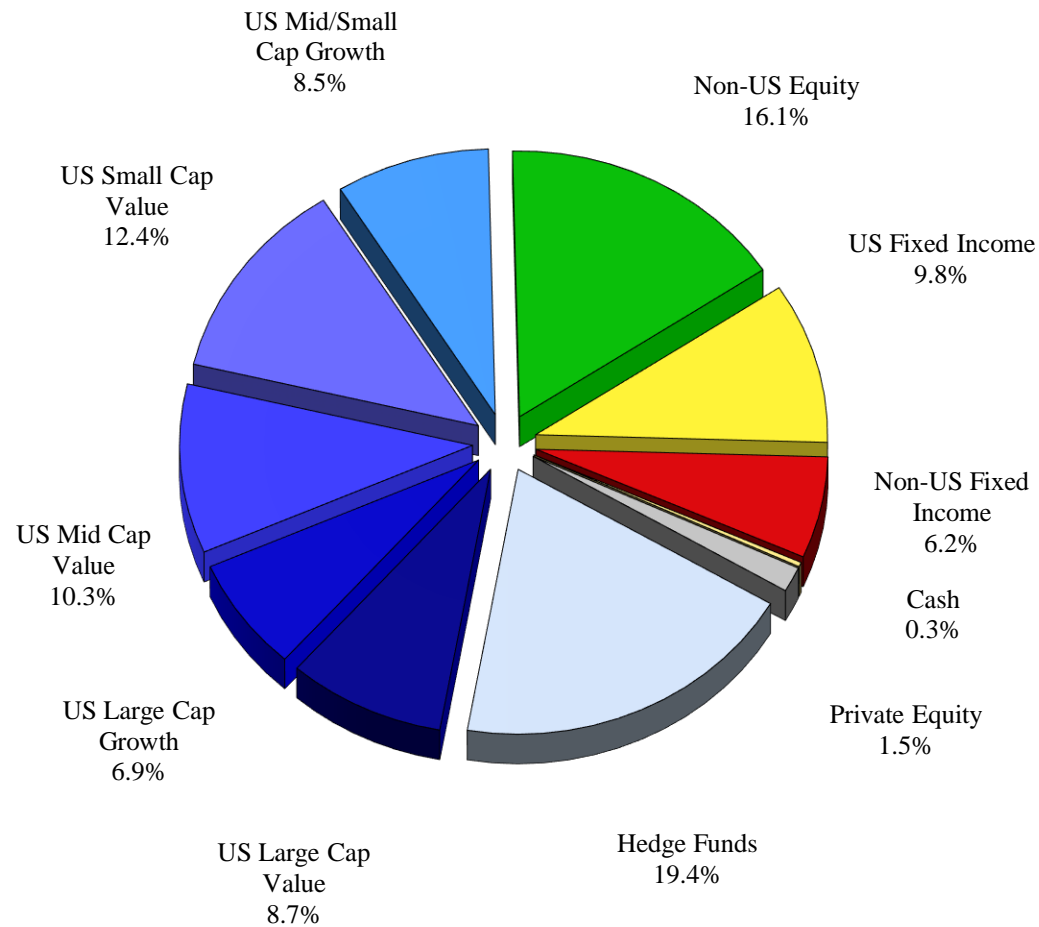
Returns for more than one year are annualized
 Actuarial Rate of Return - 8.5%
 Returns are Net of Fees

[1] Investment Policy Benchmark:

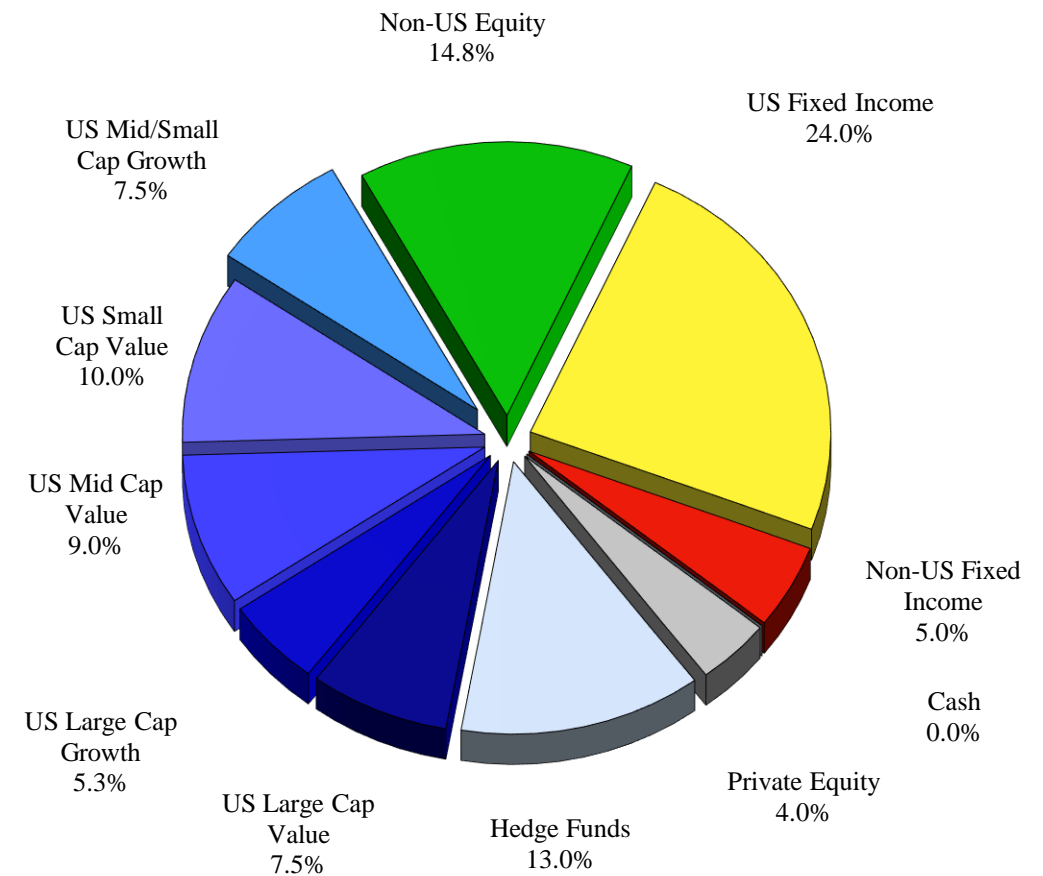
7/1/96 to 12/31/01: 5% S&P 500/7.5% Wil LCG/7.5% Wil LCV/5% Wil MCG/6.75% Wil MCV/5% Wil SCG/6.75% Wil SCV/8% MSCI EAFE/38% Bar G/C Int/3% Citi Non-US/7.5% 3 Mth T-Bill
 1/1/02 to 3/31/06: 8.2% Rus 1K Val/8.6% Rus 1K Gr/10.8% R 2K Val/8.1% Rus 2500 Gr/8% Rus MCV/ 11.8% MSCI EAFE/30% Bar G/C Int/3% Citi Non-US/7.5% HFRI Fd of Fds/4% S&P 500 + 4%
 4/1/06 to 4/30/09: 8.2% Rus 1K Val/8.6% Rus 1K Gr/10.8% R 2K Val/8.1% Rus 2500 Gr/8% Rus MCV/ 11.8% MSCI EAFE/26% Bar G/C Int/3% Citi Non-US/11.5% HFRI Fd of Fds/4% S&P 500 + 4%
 5/1/09 to 12/31/11: 7% Rus 1K Val/5% Rus 1K Gr/9.5% R 2K Val/7% Rus 2500 Gr/8.5% Rus MCV/ 14% MSCI EAFE/28% Bar G/C Int/6% Citi Non-US/12% HFRI Fd of Fds/3% S&P 500 + 4%
 1/1/12 to Present: 7.5% Rus 1K Val/5.25% Rus 1K Gr/10% R 2K Val/7.5% Rus 2500 Gr/9% Rus MCV/ 14.75% MSCI EAFE/24% Bar G/C Int/5% Citi Non-US/13% HFRI Fd of Fds/4% S&P 500 + 4%

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September 30, 2012

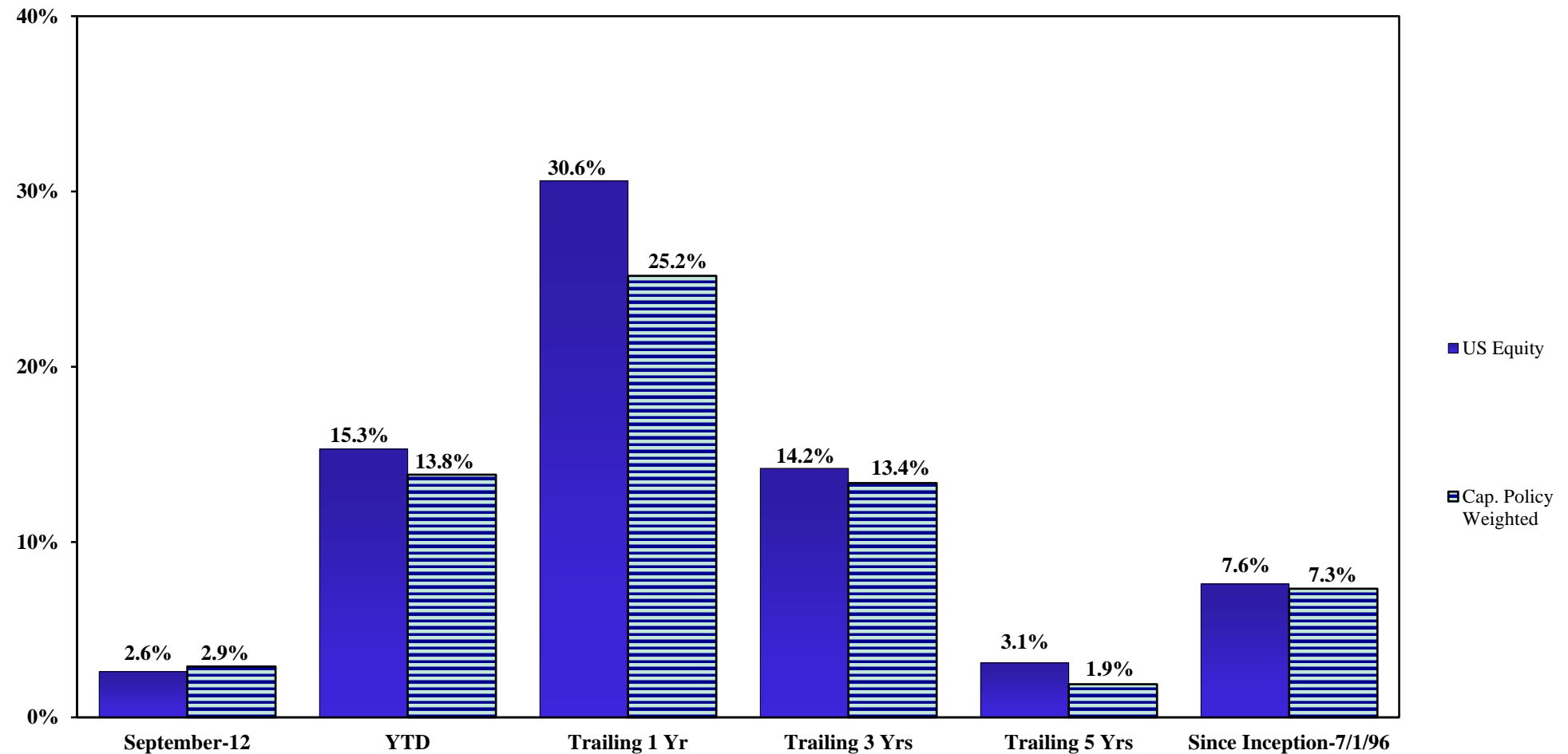


Investment Policy/Asset Class Mix



US Equity Manager Performance

Total US Equity



Cap Policy Weighted Index:

46% Russell 1000/ 54% Russell 2000

Custom Russell 1000

Since Inception to 12/31/01- S & P 500/ 1/1/02 to Present- Russell 1000

Custom Russell 2000

Since Inception to 12/31/01- 50% WMSV & 50% WMSG/ 1/1/02 to Present- Russell 2000

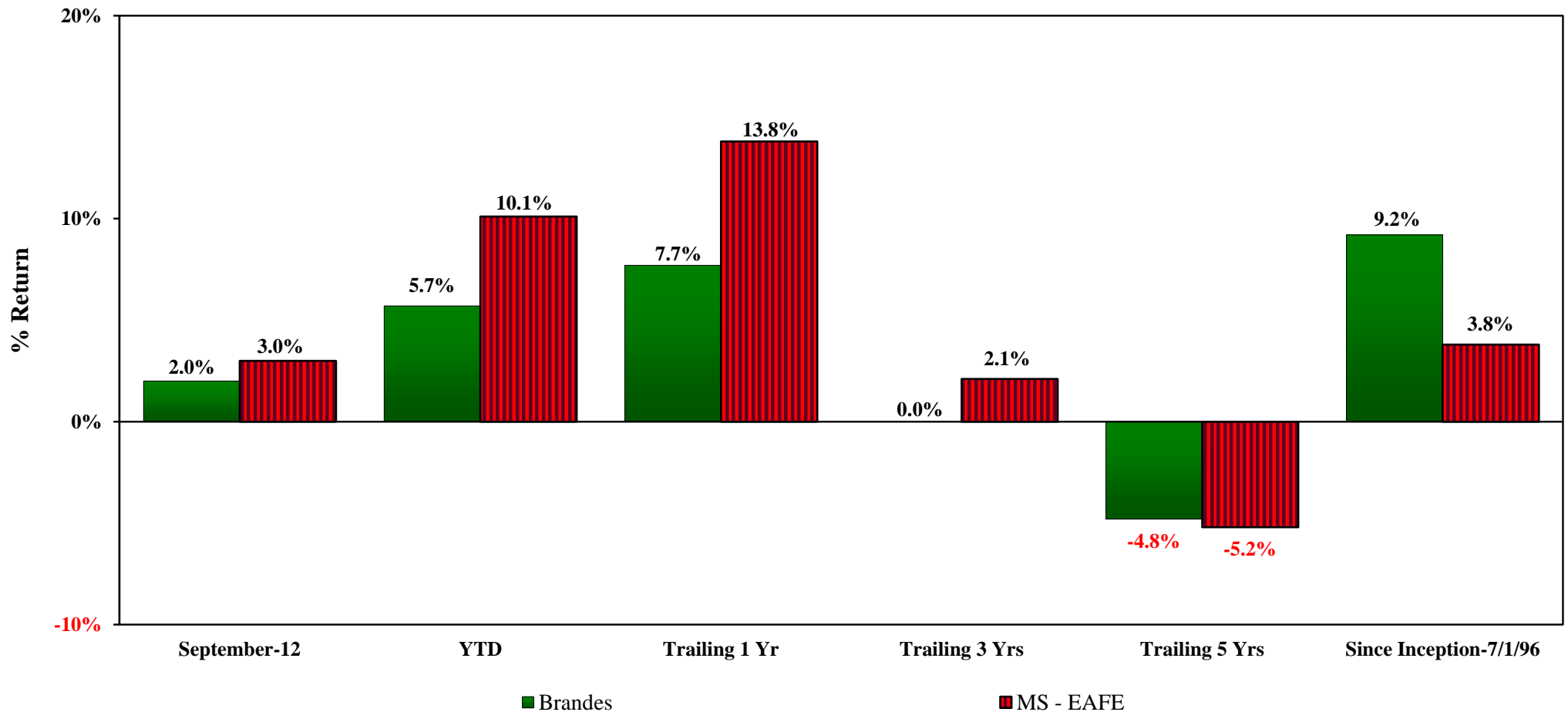
Returns for more than one year are annualized

Returns are Net of Fees

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Non US Equity Managers Performance

Brandes - EAFE Manager

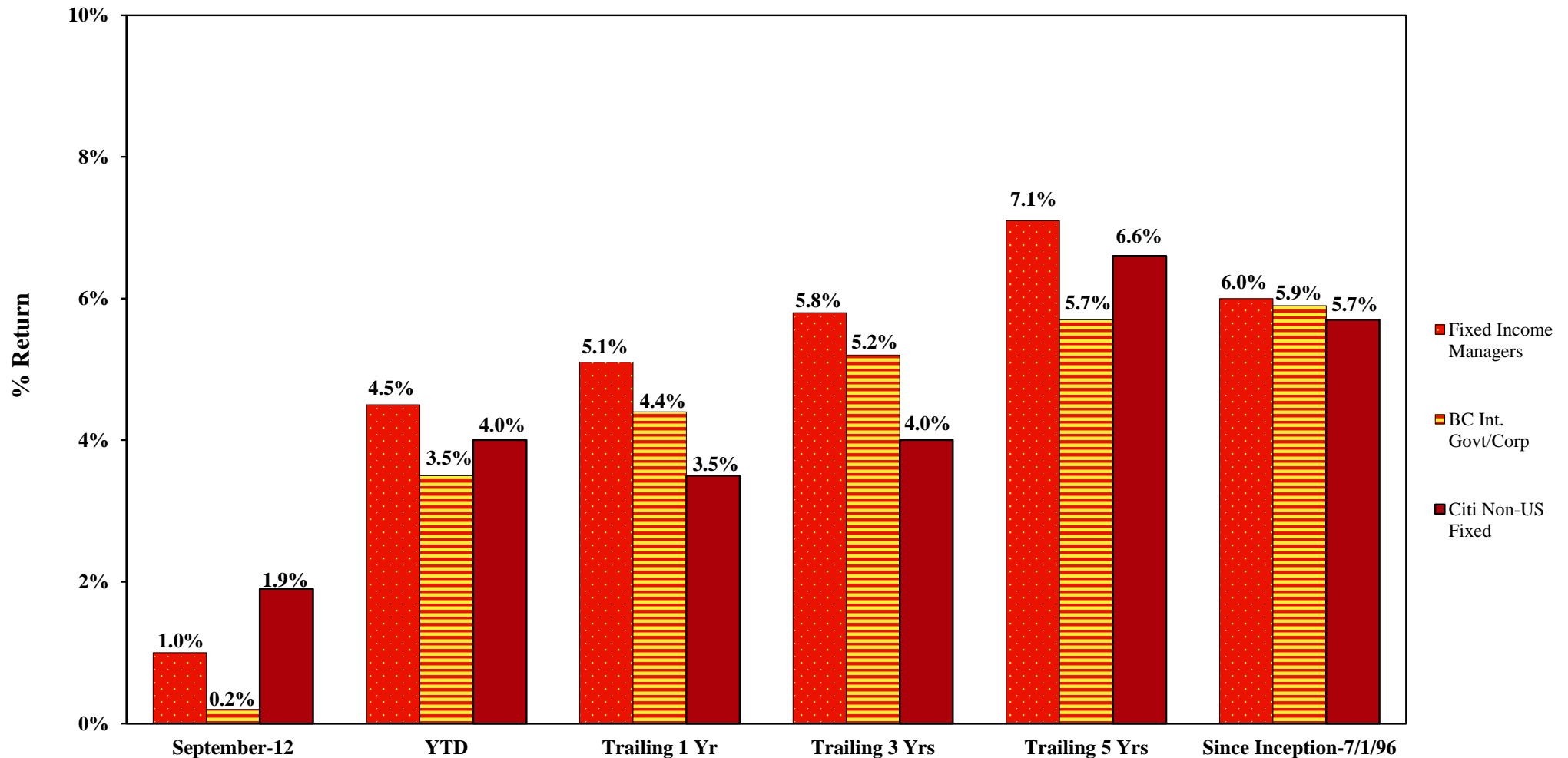


Returns for more than one year are annualized
Returns are Net of Fees

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Fixed Income Managers Performance

Total Fixed Income

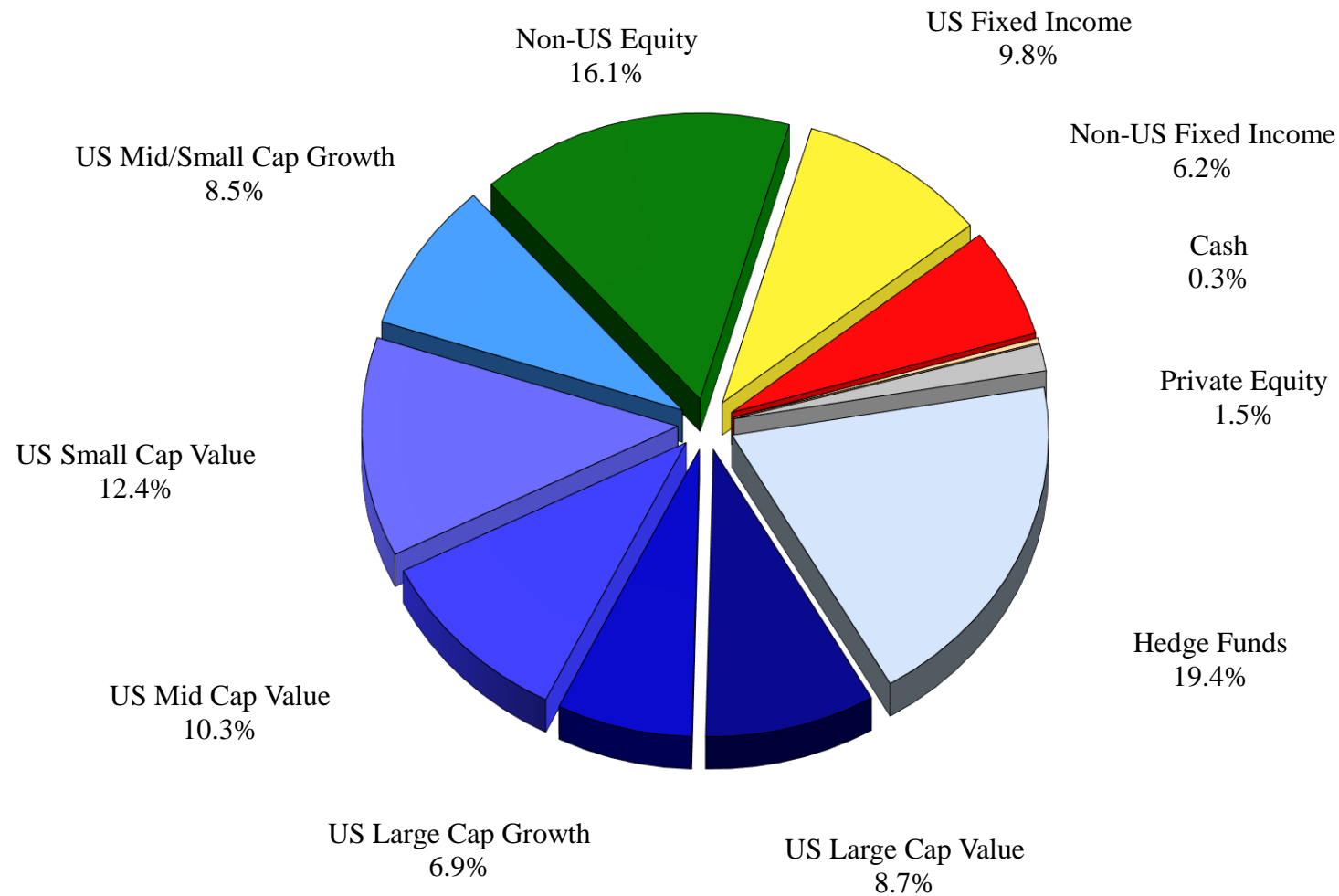


Returns for more than one year are annualized

Returns are Net of Fees

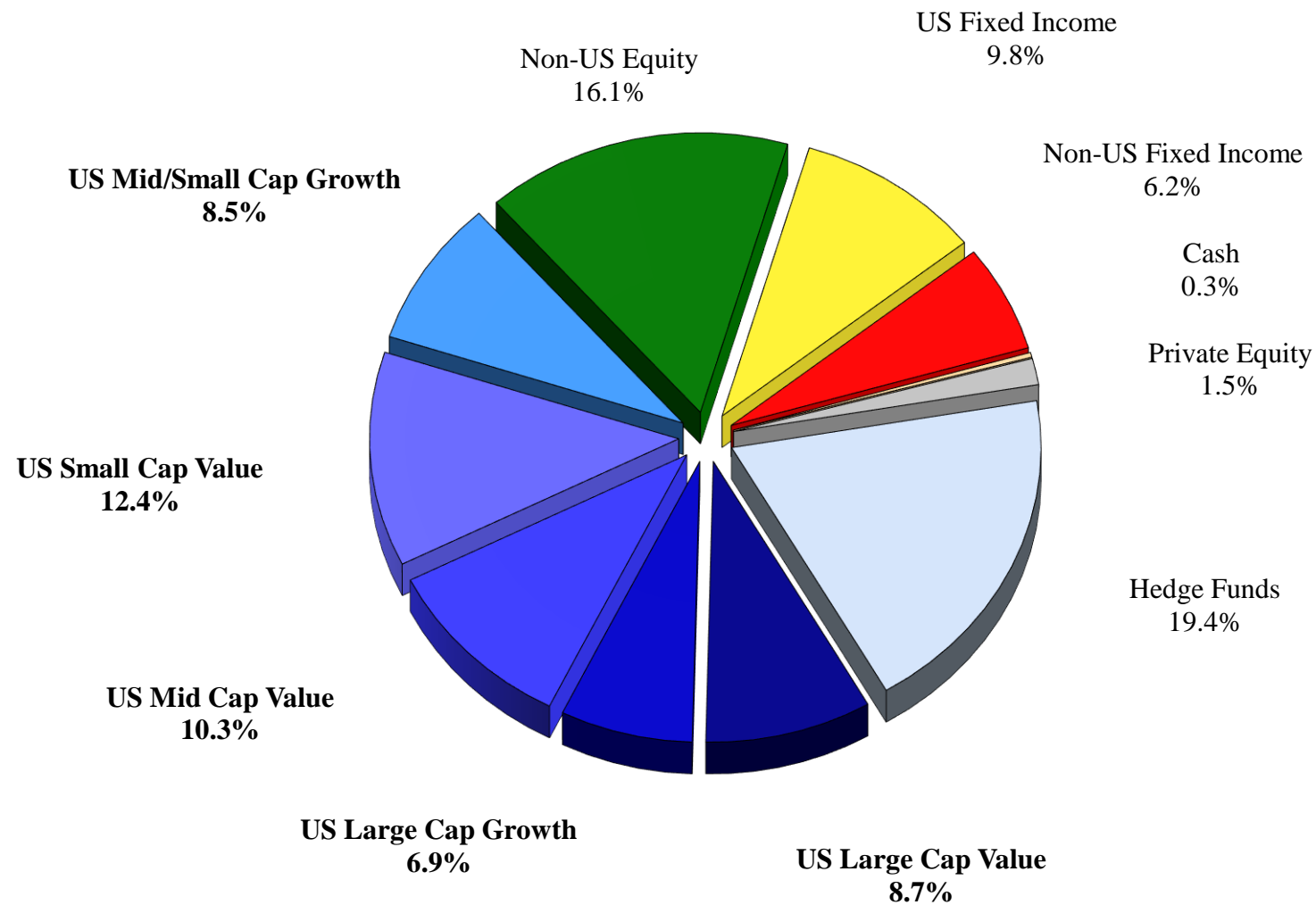
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Investment Manager Performance Analysis



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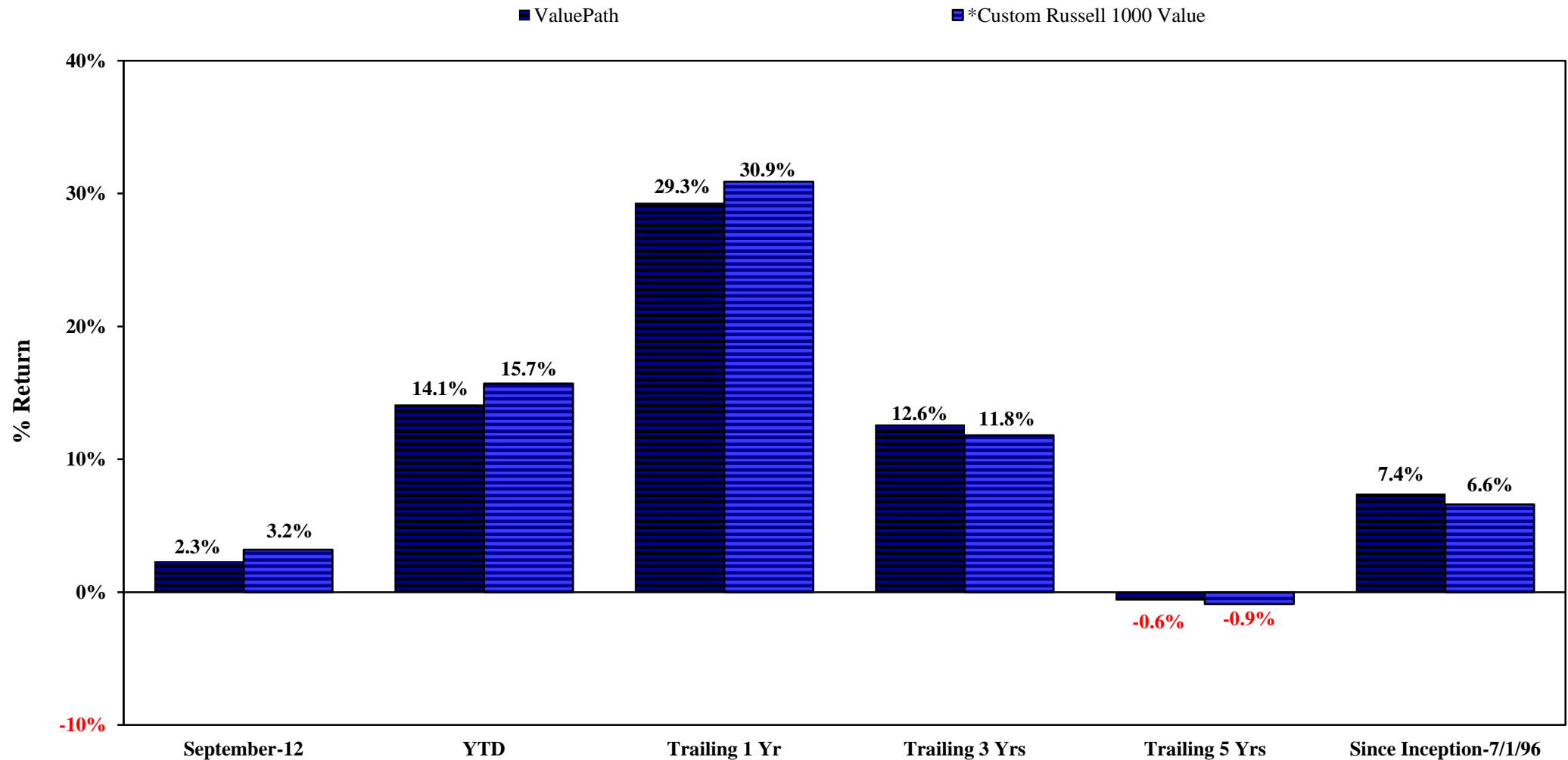
US Equity Manager Review



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Columbia (formerly Fleet ValuePath) - Large Cap Value

Performance



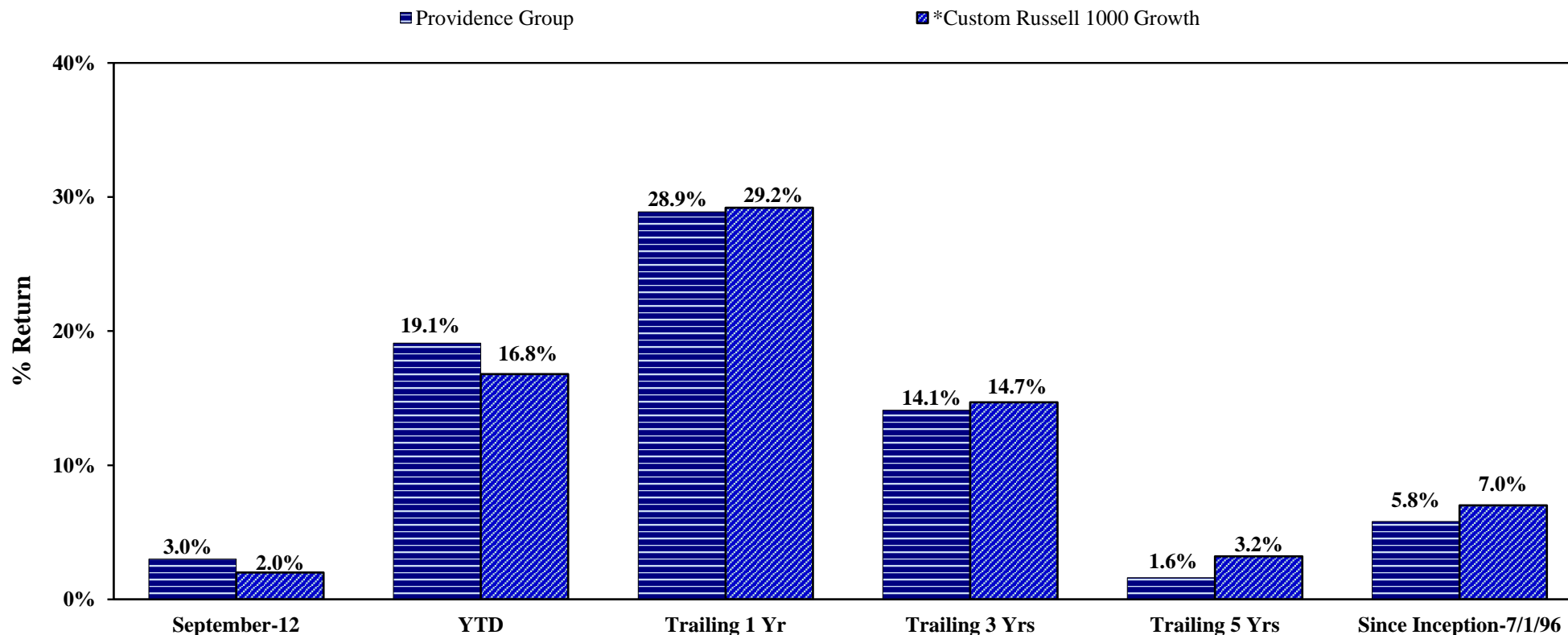
*Effective 1/1/02, Index was changed from Wilshire Target Large Value to Russell 1000 Value
 Returns for more than one year are annualized
 Returns are Net of Fees

Statistics	Sep-12
Initial Contribution	\$25,070
Net Flows	-33,714
Current Market Value	\$21,167
% of Total Assets	8.72%

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Mellon (formerly The Providence Group) - Large Cap Growth

Performance



*Effective 1/1/02, Index was changed from Wilshire Target Large Growth to Russell 1000 Growth

Returns for more than one year are annualized

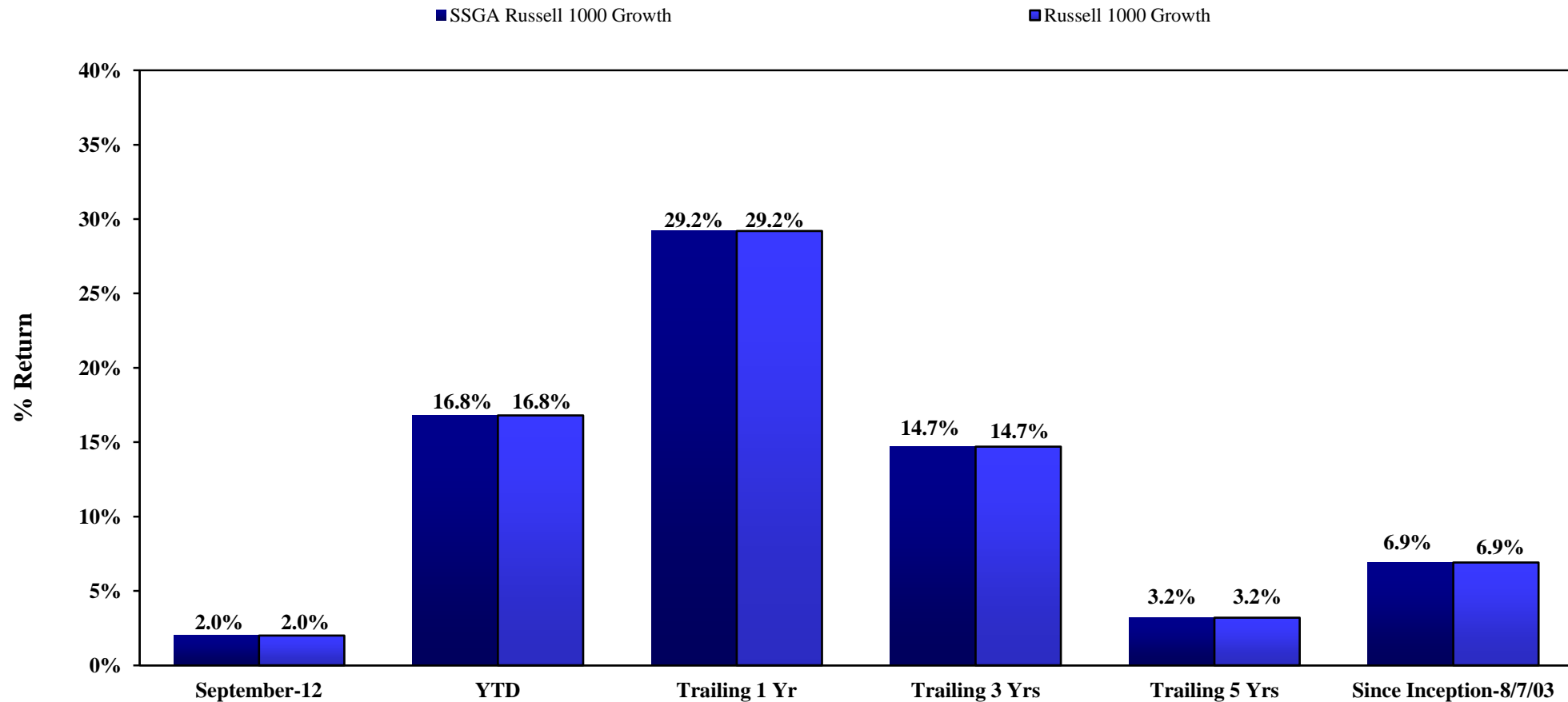
Returns are Net of Fees

Statistics	Sep-12
Initial Contribution	\$15,967
Net Flows	-19,501
Current Market Value	\$8,384
% of Total Assets	3.45%

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SSGA Russell 1000 Growth

Performance



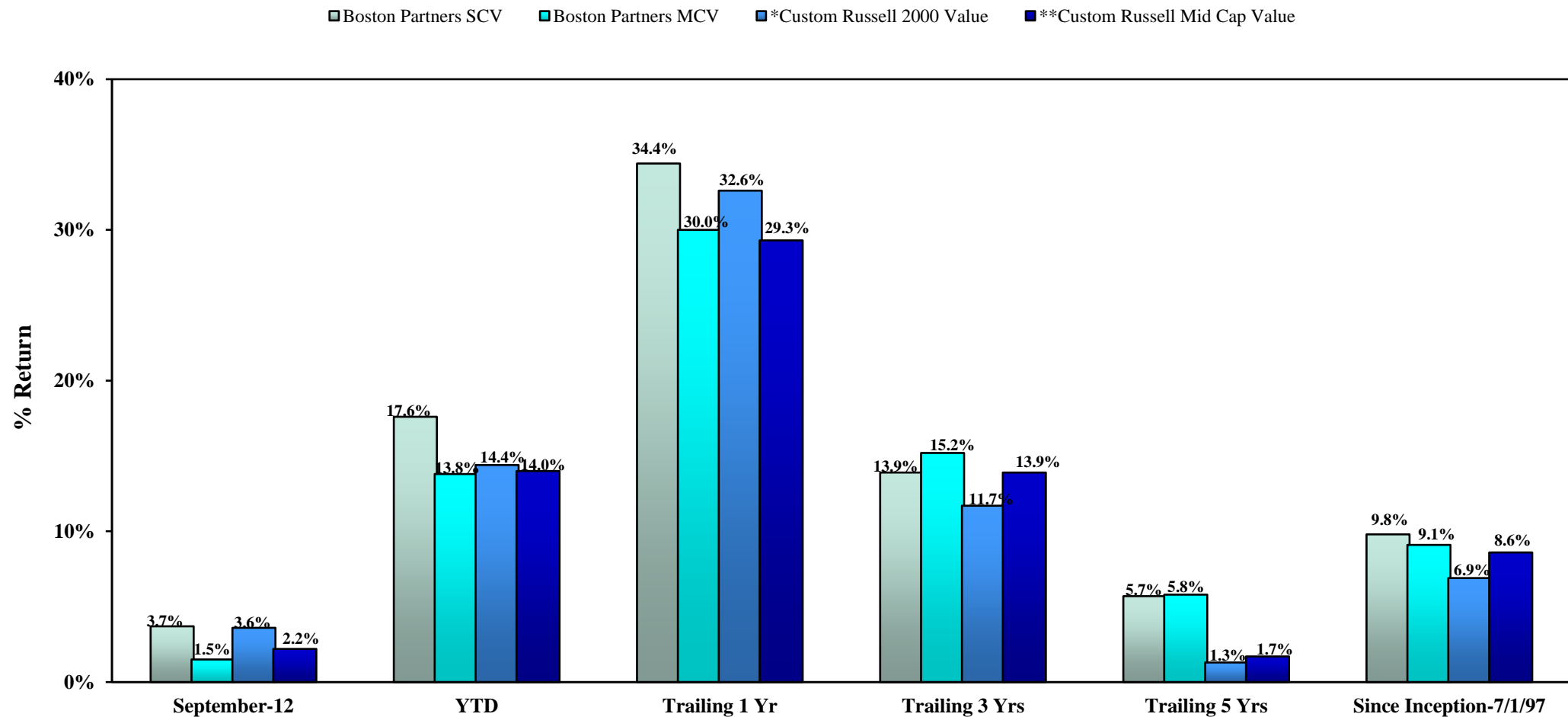
Statistics	Sep-12
Initial Contribution	\$9,434
Net Flows	-6,700
Current Market Value	\$8,448
% of Total Assets	3.48%

Returns for more than one year are annualized
Returns are Net of Fees

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Boston Partners - Small/Mid Cap Value

Performance



Statistics	Sep-12
Initial Contribution	\$20,350
Net Flows	-45,300
BP SCV Market Value	\$30,104
% of Total Assets	12.40%

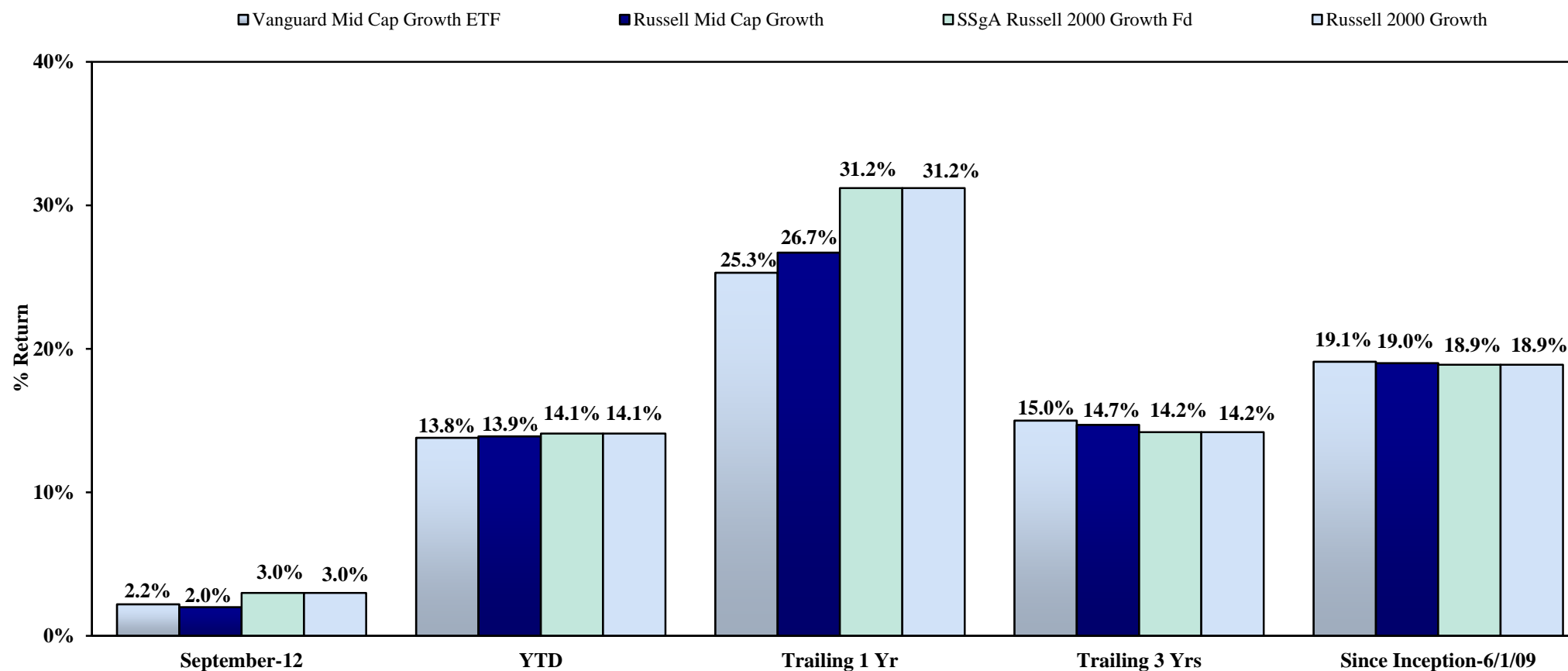
Statistics	Sep-12
Initial Contribution	\$18,350
Net Flows	-33,100
BP MCV Market Value	\$24,973
% of Total Assets	10.29%

*Effective 1/1/02, Small Value Index changed from Wilshire Target Small Value to Russell 2000 Value
 **Effective 1/1/02, Mid Value Index changed from Wilshire Target Mid Value to Russell MidCap Value
 Returns for more than one year are annualized
 Returns are Net of Fees

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Vanguard MCG ETF/SSgA Russell 2000 Growth Fund-Mid/Small Growth Managers

Performance



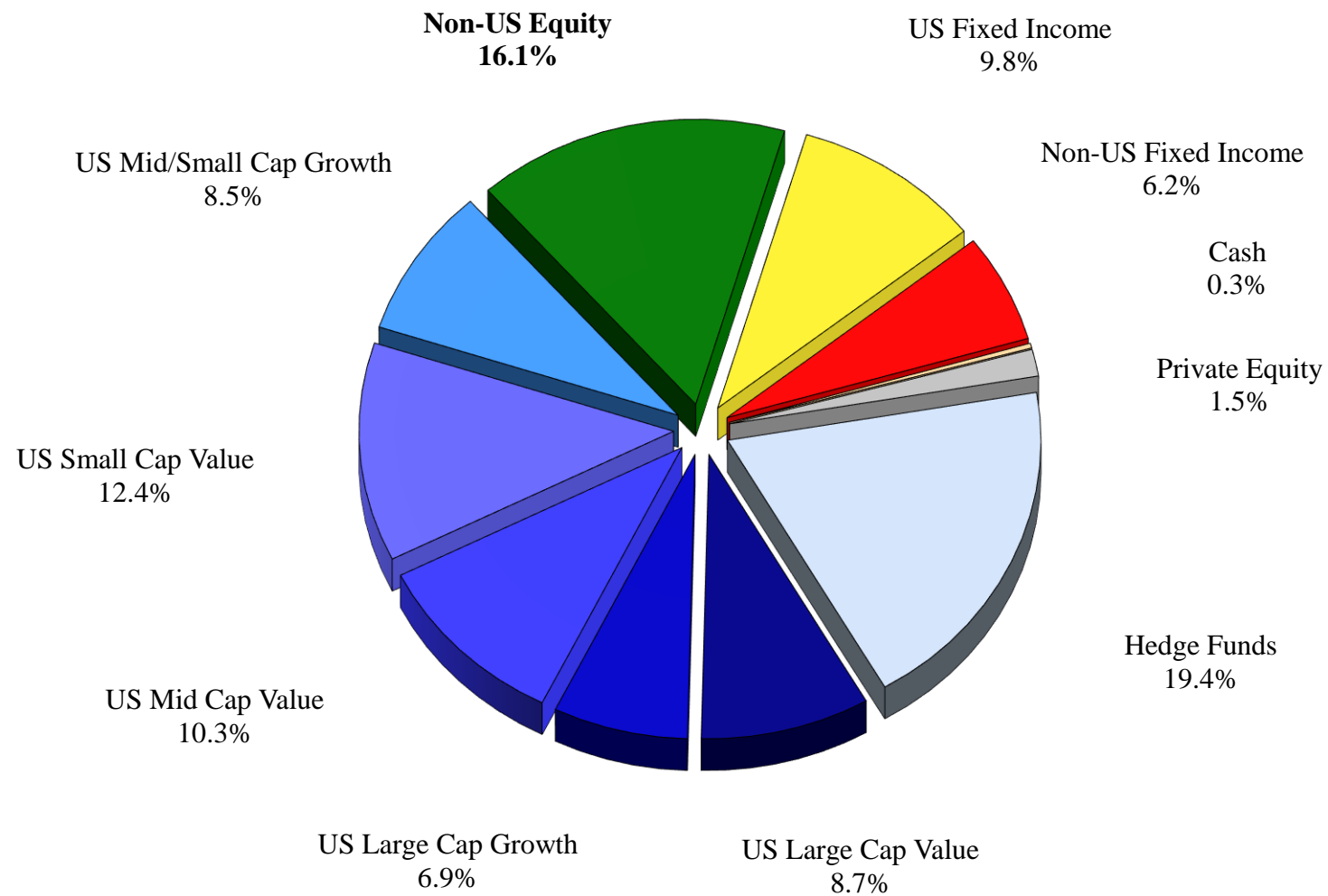
Statistics	Sep-12
Initial Contribution	\$5,500
Net Flows	-1,100
Vanguard MCG ETF	\$8,878
% of Total Assets	3.66%

Returns for more than one year are annualized
Returns are Net of Fees

Statistics	Sep-12
Initial Contribution	\$7,972
Net Flows	-2,276
SSgA 2000 Growth Fd	\$11,751
% of Total Assets	4.84%

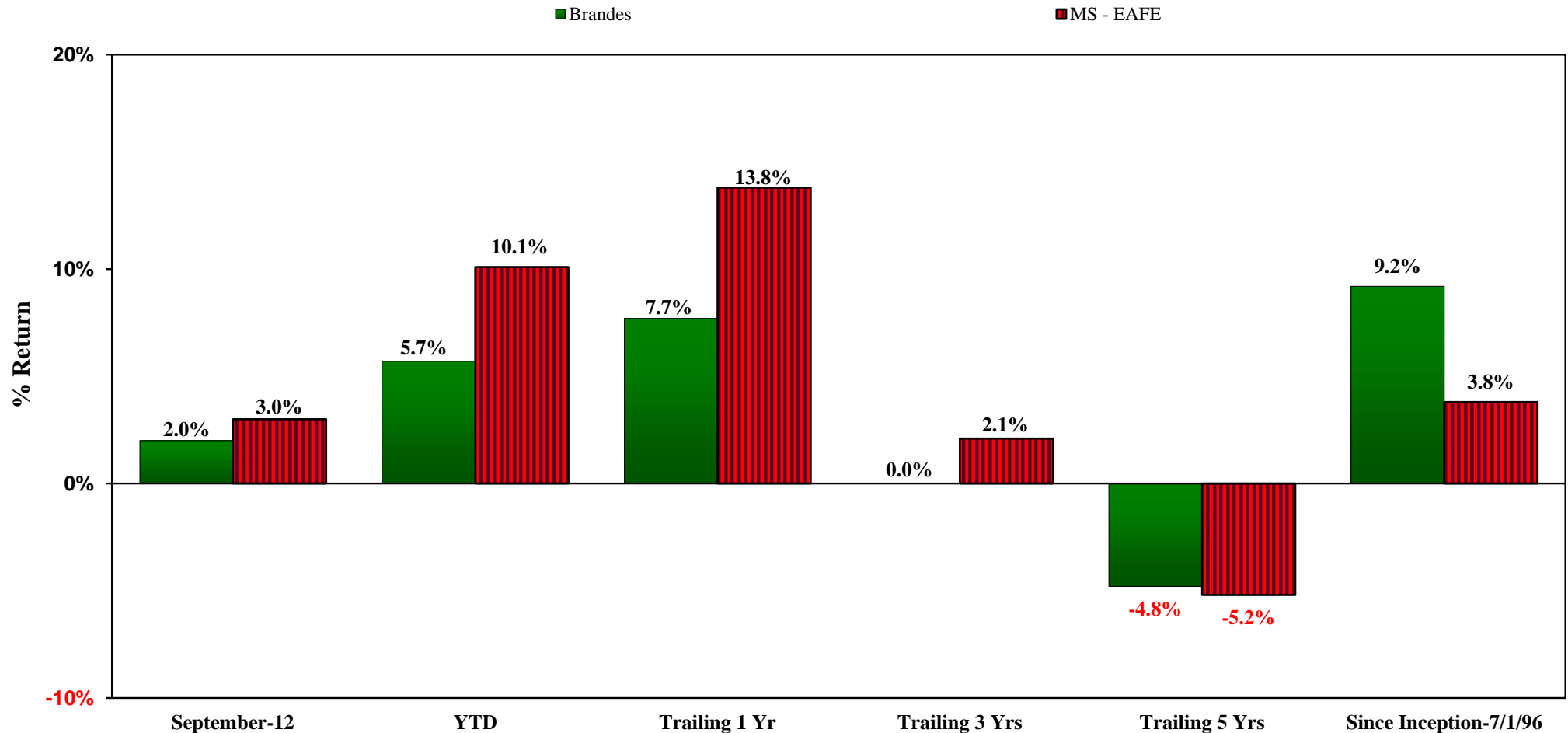
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International Equity Manager Review



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Brandes Investment Partners vs. EAFE

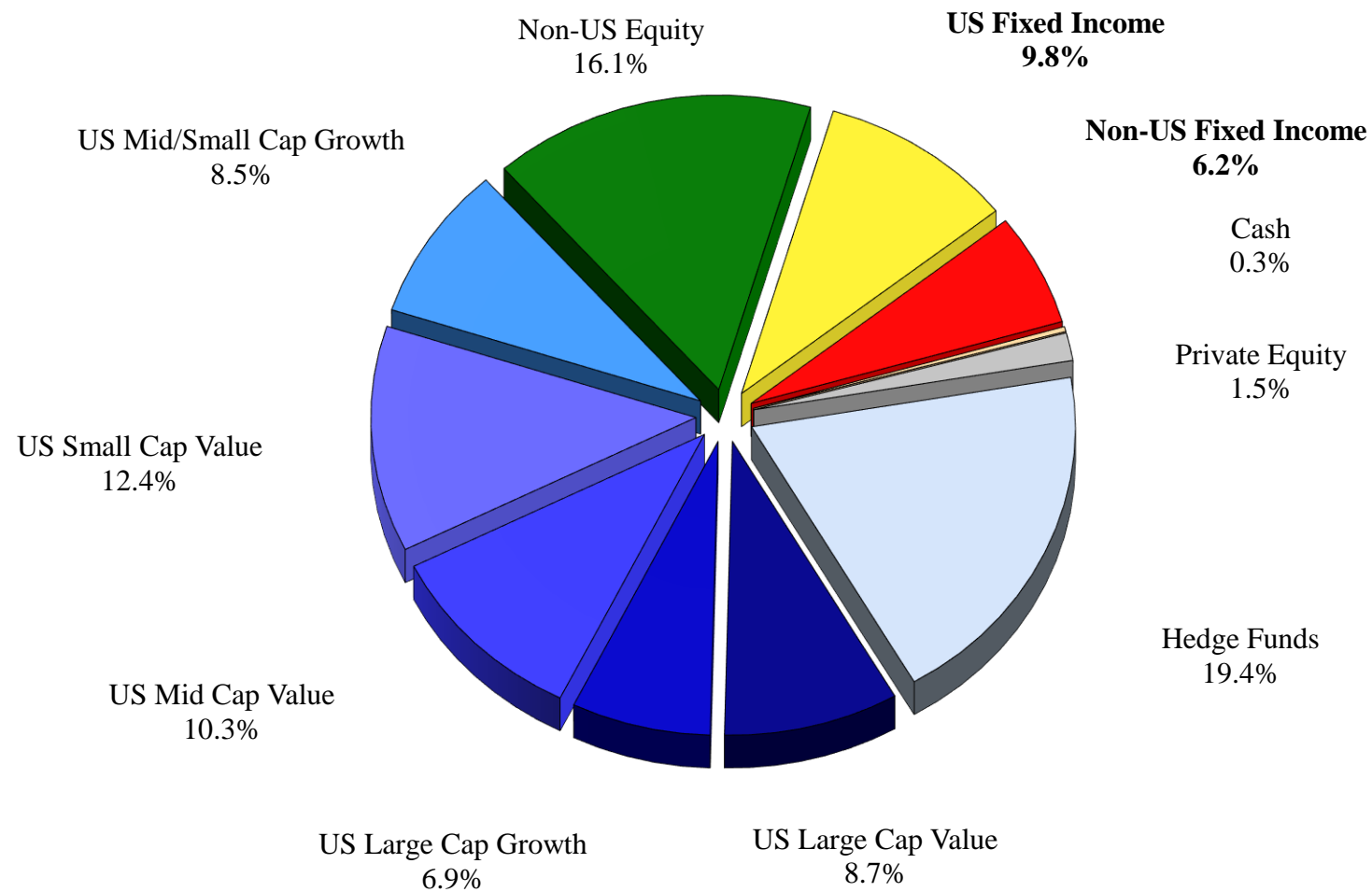


Statistics	Sep-12
Initial Contribution	\$19,883
Net Flows	-32,343
Current Market Value	\$38,966
% of Total Assets	16.05%

Returns for more than one year are annualized
Returns are Net of Fees

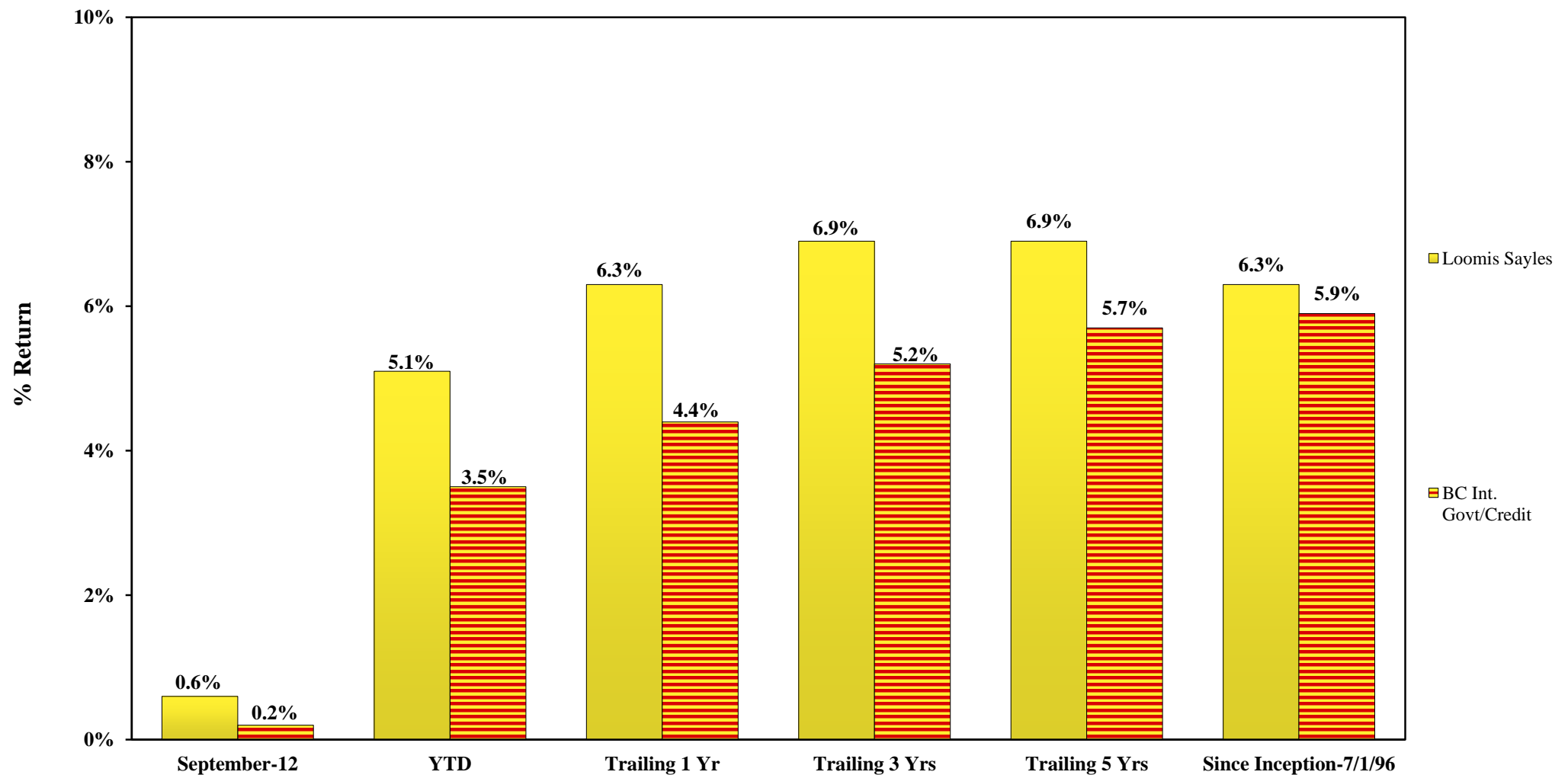
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Fixed Income Manager Review



US Fixed Income Manager Performance

Loomis - US Fixed Income



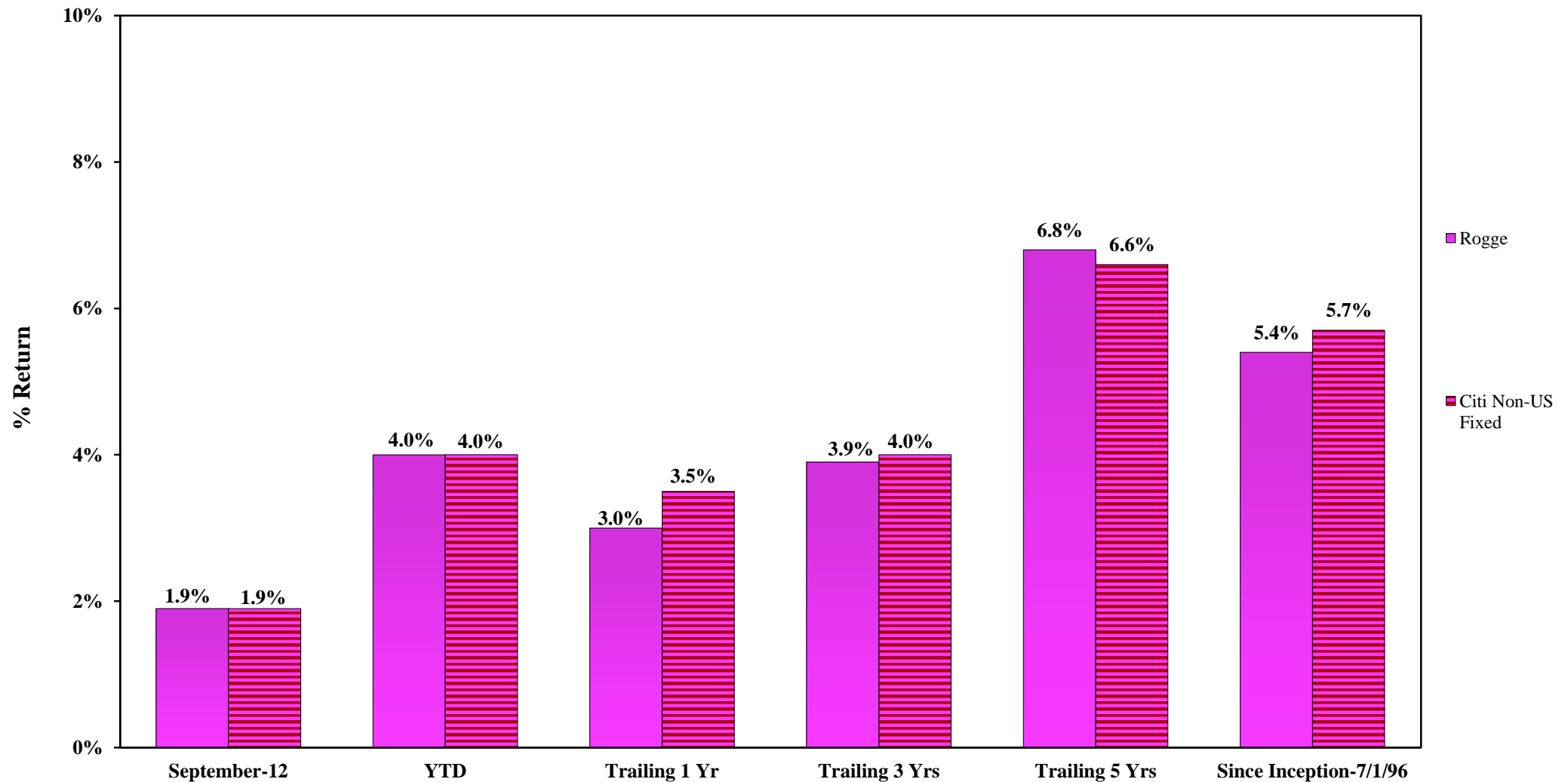
Statistics	Sep-12
Initial Contribution	\$85,000
Net Flows	-138,762
Current Market Value	\$23,752
% of Total Assets	9.78%

Returns for more than one year are annualized
Returns are Net of Fees

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International Fixed Income Manager Performance

Rogge - Non-US Fixed Income

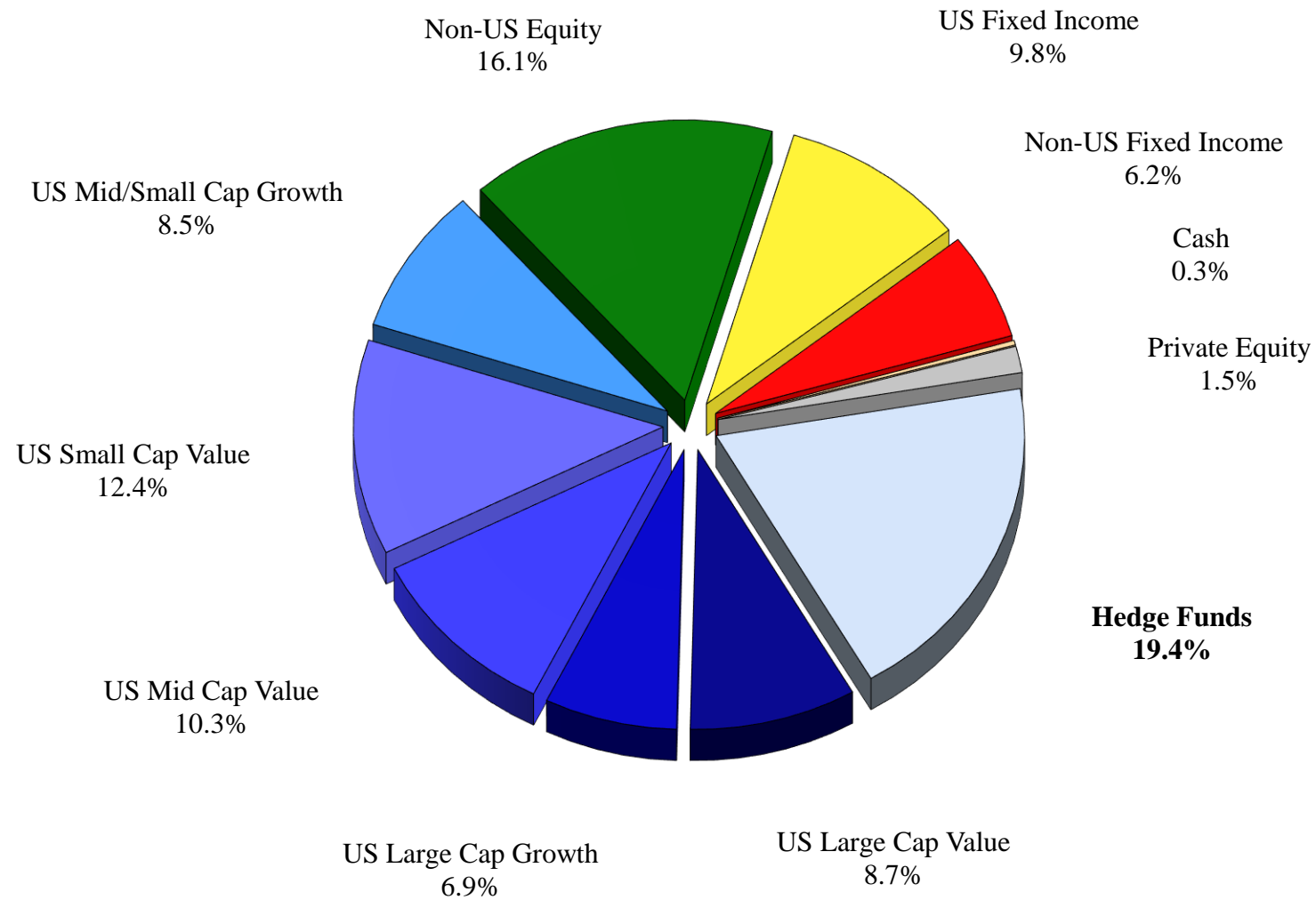


Statistics	Sep-12
Initial Contribution	\$8,000
Net Flows	-4,000
Current Market Value	\$14,987
% of Total Assets	6.17%

Returns for more than one year are annualized
Returns are Net of Fees

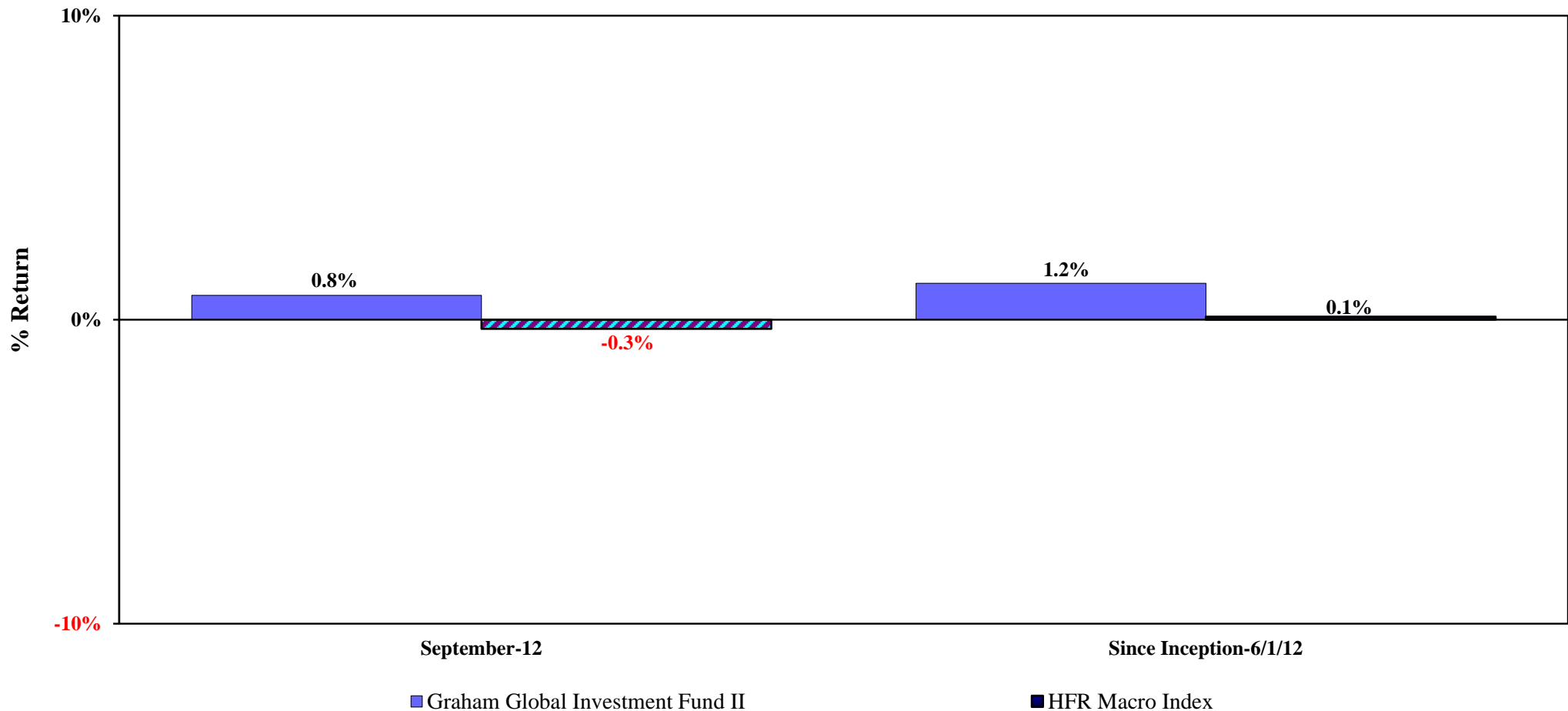
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Hedge Fund Manager Review



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Graham Global Investment Fund II

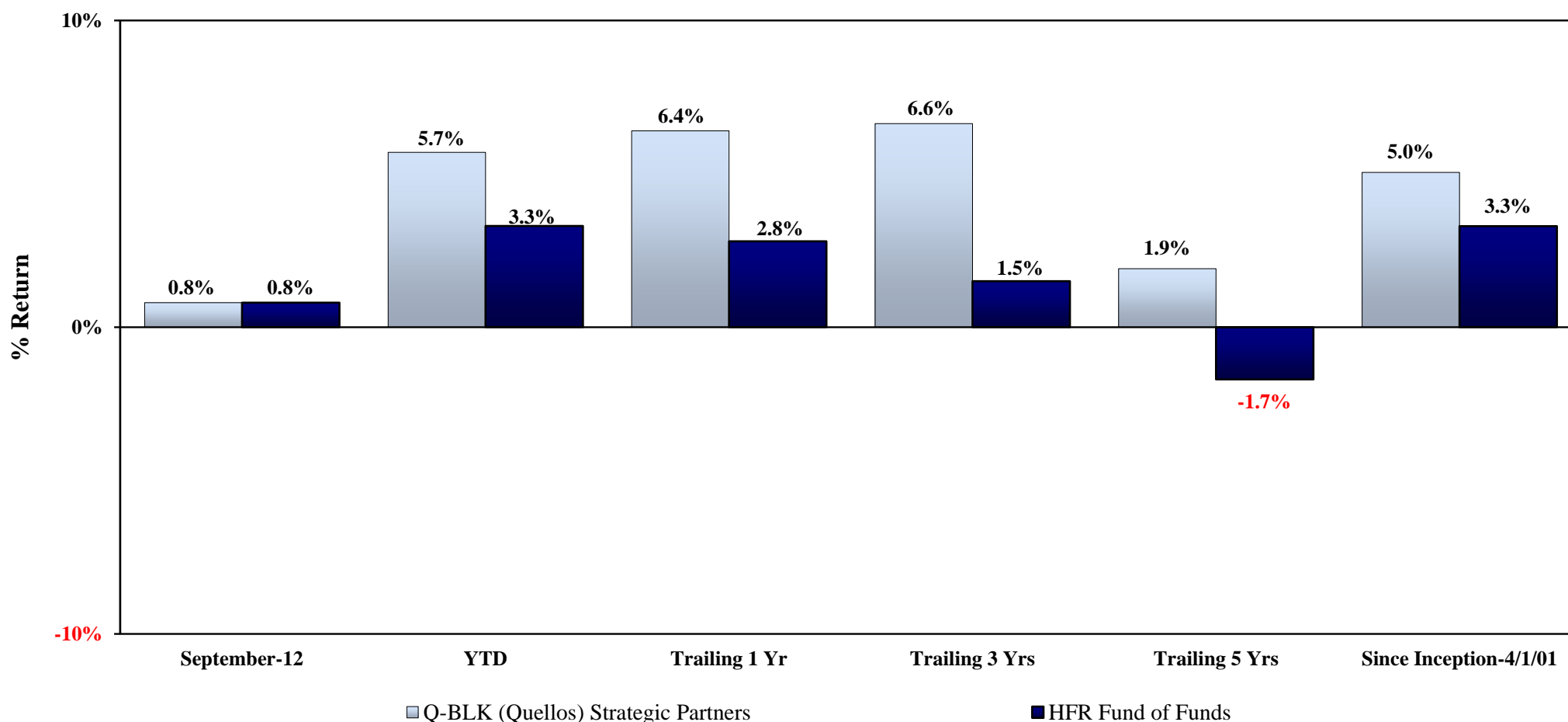


Statistics	Sep-12
Initial Contribution	\$5,000
Net Flows	0
Current Market Value	\$5,059
% of Total Assets	2.08%

Returns are Net of Fees

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Q-BLK (Quellos) Strategic Partners

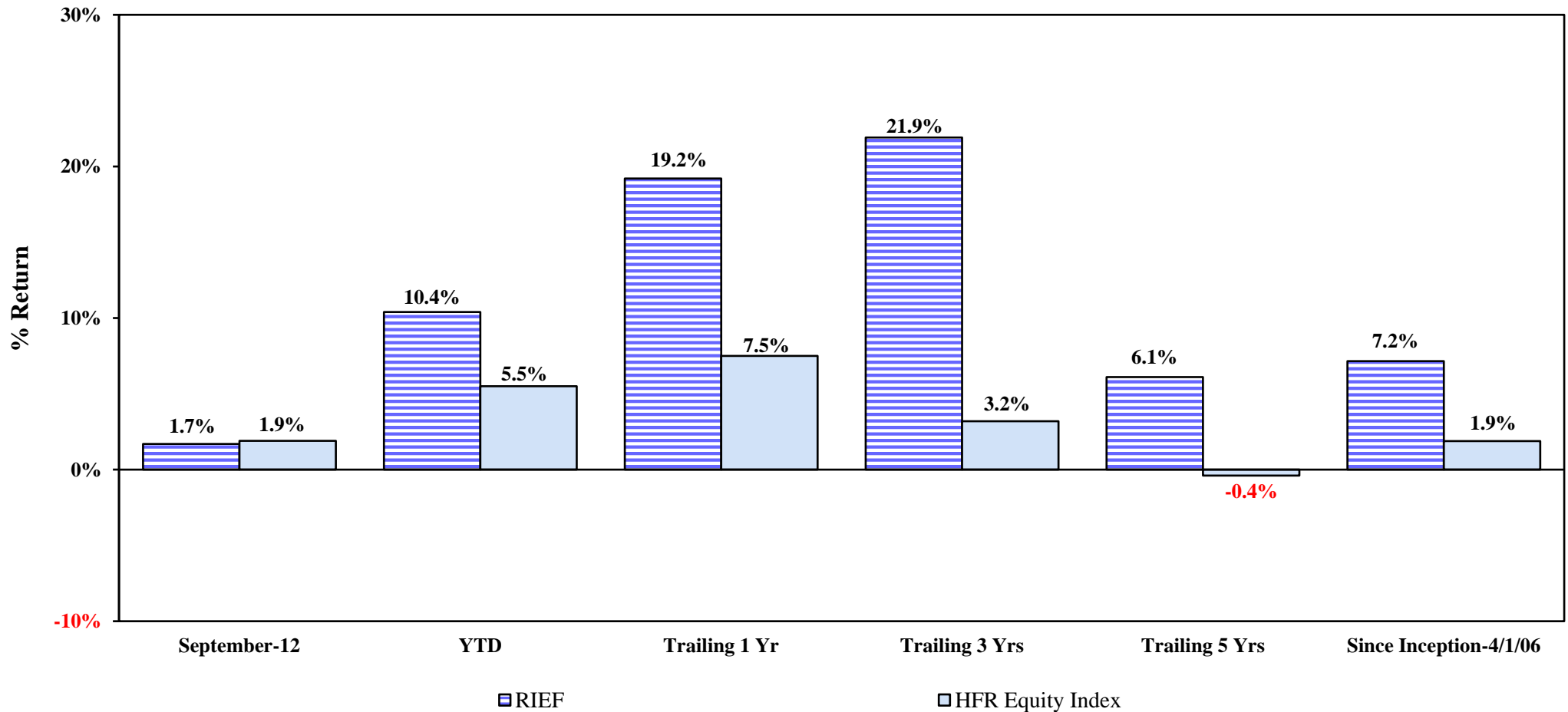


Statistics	Sep-12
Initial Contribution	\$6,000
Net Flows	0
Current Market Value	\$10,572
% of Total Assets	4.36%

Returns for more than one year are annualized
Returns are Net of Fees

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Renaissance Institutional Equity Fund



Statistics	Sep-12
Initial Contribution	\$20,000
Net Flows	0
Current Market Value	\$31,346
% of Total Assets	12.91%

Returns for more than one year are annualized
Returns are Net of Fees

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